

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: November 10, 2005]²

Bill No. and sponsor: H.R. 2550 (Mr. James R. Langevin of Rhode Island).

Proponent name, location: Clariant Corporation, Coventry RI.

Other bills on product (109th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Pigment Yellow 154 (CAS No. 068134-22-5) (provided for in subheading 3204.17.60).

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a synthetic organic pigment. It is a medium shade yellow with outstanding weather fastness and good flow properties with high gloss, recommended for use in high durability coatings at all concentration levels. It is considered to be an excellent replacement for bright chrome yellows. It is imported from Germany.

¹ Industry analyst preparing report: Stephen Wanser (202-205- 3363); Tariff Affairs contact: David Michels (202-205- 3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: <u>3204.17.60</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$2,839,732	\$2,924,923	\$3,012,670	\$3,103,050	\$3,196,141
Customs revenue loss ^{1/}	\$184,583	\$190,120	\$195,824	\$201,698	\$207,749

^{1/} The estimated revenue loss for 2005 and 2006 result from a temporary duty suspension under HTS heading 9902.32.18 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
Clariant Corporation (Proponent) Mr. Andy Zamoyski, 401-823-2230	9/30/05	No	No	No
Allegheny Color Corp., Mr. Jon Gallisdorfer, 815-741-2588	9/30/05	No	No	No
Apollo Color, Inc., Mr. Tom Rogers, 815-722-3965	9/30/05	No	No	No
BASF Corp., Mr. Phil Webb, 704-398-25888	9/30/05	No	No	No
CDR Pigments & Dispersions, Mr. Rucker Wickline, 270-737-1700	9/30/05	No	No	No
Ciba Specialty Chemical Corp., Mr. John Demming, 202-857-5200	9/30/05	No	No	No
Color Pigments Manufacturing Assn., Mr. Larry Robinson, 703-684-4044	9/30/05	No	No	No
Diacolor-Pope, Mr. Bob Turkos, 973-279-2702	09/30/05	No	No	No

Engelhard Corporation, Roland Valin, 732-205-7144	9/30/05	Yes	Yes	Yes
Fanwood Chemical Co., Mr Jim DeLisi, 908-322-8440	9/30/05	No	No	No
Galaxie Chemical Corp., Mr. Richard Caldwell, 973-279-0558	9/30/05	No	No	No
Magruder Color Co., Inc., Mr. Joel Weissglass, 973-241-1300	9/30/05	No	No	No
Mason Color Works, Inc. Ms. Carol Mason Cronin, 330-385-4400	9/30/05	No	No	No
Max Marx Color Corp., Mr. Walter Sichel, 973-373-7801	9/30/05	No	No	No
Sun Chemical Corp., Mr. Ed Faulkner, 513- 681-5950	9/30/05	No	No	No

Technical comments:³ None.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

July 13, 2005

Mr. Stephen Wanser
USITC
Room 513B
500 E Street, SW
Washington, DC 20436

VIA Fax and Mail

Dear Mr. Wanser:

I am writing on behalf of Engelhard Corporation, headquartered in Iselin, NJ, with manufacturing facilities in Louisville, KY and Elyria, OH, to object to three (3) bills contained within the proposed Trade Laws and Miscellaneous Duty Suspension bill.

Specifically, we object to the proposed duty suspensions called for by the following bills: HR 2546; HR 2550 and HR 2551.

We do not object to HR 2888, HR 2548, HR 2549 or HR 2552.

Furthermore, the Department of Commerce in a December 2004 communication to Congress specifically cited domestic production for HR. 2546 and HR 2551.

Engelhard bases its objections on the fact that we produce in the United States pigments and colorants that compete for the same customers in the same U.S. marketplace as those foreign-manufactured products proposed for duty suspensions. Allowing these foreign-produced pigments and colorants into this country duty-free would have a significant adverse impact on our business and our employees.

While we agree that there are pigments and colorants that do not impact our company, and thus we have raised no objections, we request that the three bills referenced above be stricken from the trade bill. If you have questions, please contact me at 732-205-5000.

Sincerely,

Roland Valin
Director of Sales & Technical Marketing

cc: Dave Bushnell

109TH CONGRESS
1ST SESSION

H. R. 2550

To extend the temporary suspension of duty on Pigment Yellow 154.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2005

Mr. LANGEVIN introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on Pigment
Yellow 154.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PIGMENT YELLOW 154.**

4 (a) IN GENERAL.—Heading 9902.32.18 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Pigment Yellow 154) is amended by striking “12/31/
7 2006” and inserting “12/31/2008”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

